

Memorandum

To: CDBG Committee
From: CDBG Staff
Date: 7/9/2009
Re: CDBG – R Funds: Recommendation for Housing Rehabilitation and Preservation Services

Five (5) proposals were received in response to the request for proposals to provide housing rehabilitation and preservation services tied to energy efficiency, or prep work for energy work, for at least 27 housing units in which the City has a financial investment. These services should result in the creation of 7 new FTE positions.

1. Madison Development Corporation. Requested \$164,250 for three rehab projects at the Avenue Apt's on E. Washington Ave. Replace existing boilers with energy efficient furnaces, replace existing windows, repair the concrete pad on which the building air conditioners sit. Would serve 28 affordable housing units. Would create 1 .75 FTE position.
2. Independent Living – Segoe Rd : Requests \$45,000 to replace 3 existing boilers with energy efficient boilers. Would serve 76 affordable housing units, and provide 3 FTE jobs for HVAC contractors laid off workforce for the life of the job (approximately 2 months)
3. Independent Living – Segoe Rd : Requests \$47,000 to replace service elevator and main elevator doors. Rehab is designed to improve safety and service for 76 affordable housing units. No new FTE's created, jobs retained for 3-6 workers for life or project.
4. Independent Living – Segoe Rd : Requests \$41,566 to install a high security door lock and video security system for the Gardens and Assisted Living Facility at 602 N. Segoe Rd. Would result in additional safety and security for elderly residents of the 76 affordable housing units in the building. No new FTE's created, jobs retained for 3 workers for life or project anticipated to be 4-6 months.
5. Operation Fresh Start – Graduate Crew : Requests \$339,070 for development and management of a new crew of graduates from the Operation Fresh Start employment and training program. Creation of 5 new FTE positions, retention of 1 FTE position and rehabilitation of at least 27 housing units identified by the City as needing work. Proposal requires City to hire the workers as force account labor and have OFS supervise the work of the crew.

6. Staff Recommendation:

Staff recommends that the Committee approve funding \$167,059 in CDBG-R funds for Operation Fresh Start for this proposal as submitted, with a reduction in their projected budget to match the funds available. The OFS proposal provides the most assurance that both the job creation and the housing rehabilitation tied to energy efficiency goals of this RFP are met.

OFS and the City will work to assure that the materials costs for units assisted will be paid for by the owners of the units in as much as possible, thereby enabling OFS to meet the budget restriction of this RFP.

Staff recommends that the Committee approve funding \$102,125 in CDBG-R funds for the Dept of Planning and Development to hire 5 FTE hourly positions to work as force account work to the City under the direction of, and subcontract, to Operation Fresh Start as the "Graduate Crew" performing the rehabilitation and preservation work required under our contract with Operation Fresh Start.